Finance Transformation

Key Benefit: This global company will have "one source of the truth" based on a common charge-line, language and methodology. The accounting system will simplify and standardize data for consistent financial interpretation. A data warehouse will provide a single source of data.

Background

Over the years this aviation company grew through mergers and business expansion. In 1997 a large merger occurred that resulted in a vast variety of systems and functions that were redundant and not integrated. More recently Sarbanes-Oxley (SOX) legislation changed the regulatory environment and Securities Exchange Commission requirements lead to a need for more robust, simplified and common processes to maintain the integrity of financial data. It was obvious to management that consolidation and integration was essential and that time was more an issue than savings - a business case wasn't needed to prove it. The business situation in 2005 centers around: SOX compliance, simplified common processes, near real-time accurate data, performance metrics and new business models.

Challenges

In the late 1990s the Shared Services Group was created and began to organize thousands of systems and processes related to the operation and support of it's business lines. Merger and expansion had created an environment of redundant, non-integrated systems and processes. Comprehensive data was not timely or of decision making quality. A first step was to integrate facilities management, Human Resources and Payroll, Financial and Travel. Technological advances permitted a one-stop web service center, combining functions into an Enterprise Resource Planning (ERP), and allowing reduction of call centers and payroll offices. Management and funds were centrally located in one office with a project leader. An Investment Review Board process was put in place to validate that projects support the strategic plan and to prioritize projects prior to funding.

Resolution and Benefits

It is important to note there are central themes that run through transformations. Essential to transformation success is continuous **senior executive support** and consistency in leadership and message – "don't take your eye off the ball". Set up a **governance** structure that empowers review boards, ensures support of the strategic plan and enterprise architecture, prioritizes requirements/projects, controls scope creep, and sets the transformation process in place. **Right size** projects/**ERP**s to ensure that success breeds success, a project that is too big will cost time and money and fail. Limit implementation plans to no longer than two years. Draw a line in the sand for **configuration management** and strictly control it or integration will not happen. Ensure adequate resources are in place for **change management**, begin at the start of the project and end well after users accept the change. Use commercial-off-the-shelf (**COTS**) software for **ERP**s and minimize code changes. **Standardize** charge lines and the chart of accounts as well as accounting and process methods to get integrated data. Working on systems is not enough, **processes** must also be streamlined.

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